

# SIXTY-NINTH LEGISLATURE

## REGULAR SESSION

### HOUSE JOINT RESOLUTIONS

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#### H.J.R No. 6

A Joint Resolution proposing a constitutional amendment to authorize the issuance of an additional \$980 million of Texas Water Development Bonds, to create special water funds for water conservation, water development, water quality enhancement, flood control, drainage, subsidence control, recharge, chloride control, agricultural soil and water conservation, and desalinization, to authorize a bond insurance program, to clarify the purposes for which Texas Water Development Bonds may be issued, and to authorize the issuance and sale of \$200 million of Texas agricultural water conservation bonds.

*Be it resolved by the Legislature of the State of Texas:*

**SECTION 1.** Article III of the Texas Constitution is amended by adding Sections 49-d-2, 49-d-3, 49-d-4, and 49-d-5 to read as follows:

*Sec. 49-d-2. (a) The Texas Water Development Board may issue additional Texas Water Development Bonds up to an additional aggregate principal amount of \$980 million. Of the additional bonds authorized to be issued, \$590 million of those bonds are dedicated for use for the purposes provided by Sections 49-c and 49-d of this article with \$400 million of those bonds to be used for state participation in the acquisition and development of facilities for the storage, transmission, transportation, and treatment of water and waste water as authorized by Section 49-d of this article. The legislature may set limits on the extent of state participation in projects in each fiscal year through the General Appropriations Act or other law, and state participation is limited to 50 percent of the funding for any single project. Of the additional bonds authorized, \$190 million are dedicated for use for the purposes provided by Section 49-d-1 of this article and \$200 million are dedicated exclusively for flood control projects and may be made available for any acquisition or construction necessary to achieve structural and nonstructural flood control purposes.*

*(b) The Texas Water Development Board shall issue the additional bonds authorized by this section for the terms, in the denominations, form, and installments, on the conditions, and subject to the limitations provided by Sections 49-c, 49-d, and 49-d-1 of this article and by laws adopted by the legislature implementing those sections.*

*(c) Proceeds from the sale of the bonds authorized by this section shall be deposited in the Texas water development fund to be administered and invested as provided by law.*

*(d) Financial assistance made available for the purposes provided by this section is subject only to availability of funds. The requirement of Section 49-c of this article that financial assistance terminate on December 31, 1982, does not apply to financial assistance made available under this section.*

*(e) Bonds issued under this section shall bear interest as provided by Section 65 of this article.*

*Sec. 49-d-3. (a) The legislature by law may create one or more special funds in the state treasury for use for or in aid of water conservation, water development, water quality enhancement, flood control, drainage, subsidence control, recharge, chloride control, agricultural soil and water conservation, desalinization or any combination of those purposes, may make money in a special fund available to cities, counties, special governmental districts and authorities, and other political subdivisions of the state for use for the purposes for which the fund was created by grants, loans, or any other means, and may appropriate money to any of the special funds to carry out the purposes of this section.*

*(b) Money deposited in a special fund created under this section may not be used to finance or aid any project that contemplates or results in the removal from the basin of origin of any surface water necessary to supply the reasonably foreseeable water requirements for the next ensuing 50-year period within the river basin of origin, except on a temporary, interim basis.*

*Sec. 49-d-4. (a) In addition to other programs authorized by this constitution, the legislature by law may provide for the creation, administration, and implementation of a bond insurance program to which the state pledges its general credit in an amount not to exceed \$250 million to insure the payment in whole or in part of the principal of and interest on bonds or other obligations that are issued by cities, counties, special governmental districts and authorities, and other political subdivisions of the state as defined by law for use for or in aid of water conservation, water development, water quality enhancement, flood control, drainage, recharge, chloride control, desalinization, or any combination of those purposes.*

*(b) The legislature by law shall designate the state agency to administer the bond insurance program and may authorize that agency to execute insurance contracts that bind the state to pay the principal of and interest on the bonds if the bonds are in default or the bonds are subject to impending default, subject to the limits provided by this section and by law.*

*(c) The payment by the state of any insurance commitment made under this section must be made from the first money coming into the state treasury that is not otherwise dedicated by this constitution.*

*(d) Notwithstanding the total amount of bonds insured under this section, the total amount paid and not recovered by the state under this section, excluding the costs of administration, may not exceed \$250 million.*

*(e) Except on a two-thirds vote of the members elected to each house of the legislature, the ratio of bonds insured to the total liability of the state must be two to one.*

*(f) Except on a two-thirds vote of the members elected to each house of the legislature, the state agency administering the bond insurance program may not authorize bond insurance coverage under the program in any state fiscal year that exceeds a total of \$100 million.*

*(g) Unless authorized to continue by a two-thirds vote of the members elected to each house, this section and the bond insurance program authorized by this section expire on the sixth anniversary of the date on which this section becomes a part of the constitution. However, bond insurance issued before the expiration of this section and the program is not affected by the expiration of this section and the program and remains in effect according to its terms, and the state is required to fulfill all of the terms of that previously issued insurance.*

*Sec. 49-d-5. For the purpose of any program established or authorized by Section 49-c, 49-d, 49-d-1, 49-d-2, or 49-d-4 of this article, the legislature by law may extend any benefits to nonprofit water supply corporations that it may extend to a district created or organized under Article XVI, Section 59, of this constitution.*

**SECTION 2.** Article III, Section 49-d, of the Texas Constitution, is amended to read as follows:

**Sec. 49-d.** It is hereby declared to be the policy of the State of Texas to encourage the optimum development of the limited number of feasible sites available for the construction or enlargement of dams and reservoirs for conservation of the public waters of the state, which waters are held in trust for the use and benefit of the public, and to encourage the optimum regional development of systems built for the filtration, treatment, and transmission of water and waste water. The proceeds from the sale of the additional bonds authorized hereunder deposited in the Texas Water Development Fund and the proceeds of bonds previously authorized by Article III, Section 49-c of this Constitution, may be used by the Texas Water Development Board, under such provisions as the Legislature may prescribe by General Law, including the requirement of a permit for storage or beneficial use, for the additional purposes of acquiring and developing storage facilities, and any system or works necessary for the filtration, treatment and transportation of water or waste water ~~(from storage to points of treatment, filtration and/or distribution, including facilities for transporting water therefrom to wholesale purchasers)~~, or for any one or more of such purposes or methods, whether or not such a system or works is connected with a reservoir in which the state has a financial interest; provided, however, the Texas Water Development Fund or any other state fund provided for water development,

transmission, transfer or filtration shall not be used to finance any project which contemplates or results in the removal from the basin of origin of any surface water necessary to supply the reasonably foreseeable future water requirements for the next ensuing fifty-year period within the river basin of origin, except on a temporary, interim basis.

Under such provisions as the Legislature may prescribe by General Law the Texas Water Development Fund may be used for the conservation and development of water for useful purposes by construction or reconstruction or enlargement of reservoirs constructed or to be constructed or enlarged within the State of Texas or on any stream constituting a boundary of the State of Texas, together with any system or works necessary for the filtration, treatment and/or transportation of water, by any one or more of the following governmental agencies: by the United States of America or any agency, department or instrumentality thereof; by the State of Texas or any agency, department or instrumentality thereof; by political subdivisions or bodies politic and corporate of the state; by interstate compact commissions to which the State of Texas is a party; and by municipal corporations. The Legislature shall provide terms and conditions under which the Texas Water Development Board may sell, transfer or lease, in whole or in part, any reservoir and associated system or works which the Texas Water Development Board has financed in whole or in part.

Under such provisions as the Legislature may prescribe by General Law, the Texas Water Development Board may also execute long-term contracts with the United States or any of its agencies for the acquisition and development of storage facilities in reservoirs constructed or to be constructed by the Federal Government. Such contracts when executed shall constitute general obligations of the State of Texas in the same manner and with the same effect as state bonds issued under the authority of the preceding Section 49-c of this Constitution, and the provisions in said Section 49-c with respect to payment of principal and interest on state bonds issued shall likewise apply with respect to payment of principal and interest required to be paid by such contracts. If storage facilities are required for a term of years, such contracts shall contain provisions for renewal that will protect the state's investment.

The aggregate of the bonds authorized hereunder shall not exceed \$200,000,000 and shall be in addition to the aggregate of the bonds previously authorized by said Section 49-c of Article III of this Constitution. The Legislature upon two-thirds (2/3) vote of the elected members of each House, may authorize the Board to issue all or any portion of such \$200,000,000 in additional bonds herein authorized.

The Legislature shall provide terms and conditions for the Texas Water Development Board to sell, transfer or lease, in whole or in part, any acquired ~~[storage]~~ facilities or the right to use such ~~[storage]~~ facilities ~~[together with any associated system or works necessary for the filtration, treatment or transportation of water]~~ at a price not less than the direct cost of the Board in acquiring same; and the Legislature may provide terms and conditions for the Board to sell any unappropriated public waters of the state that might be stored in such facilities. As a prerequisite to the purchase of such storage or water, the applicant therefor shall have secured a valid permit from the Texas Water Commission or its successor authorizing the acquisition of such storage facilities or the water impounded therein. The money received from any sale, transfer or lease of ~~[storage]~~ facilities ~~[or associated system or works]~~ shall be used to pay principal and interest on state bonds issued or contractual obligations incurred by the Texas Water Development Board, provided that when moneys are sufficient to pay the full amount of indebtedness then outstanding and the full amount of interest to accrue thereon, any further sums received from the sale, transfer or lease of such ~~[storage]~~ facilities *shall be deposited and used as provided by law* ~~[or associated system or works may be used for the acquisition of additional storage facilities or associated system or works or for providing financial assistance as authorized by said Section 49(e)]~~. Money received from the sale of water, which shall include standby service, may be used for the operation and maintenance of acquired facilities, and for the payment of principal and interest on debt incurred.

Should the Legislature enact enabling laws in anticipation of the adoption of this Amendment, such Acts shall not be void by reason of their anticipatory character.

**SECTION 3.** Article III of the Texas Constitution is amended by adding Section 50-d to read as follows:

*Sec. 50-d. (a) On a two-thirds vote of the members elected to each house of the legislature, the Texas Water Development Board may issue and sell Texas agricultural water conservation bonds in an amount not to exceed \$200 million.*

*(b) The proceeds from the sale of Texas agricultural water conservation bonds shall be deposited in a fund created in the state treasury to be known as the agricultural water conservation fund.*

*(c) Texas agricultural water conservation bonds are general obligations of the State of Texas. During the time that Texas agricultural water conservation bonds or any interest on those*

*bonds is outstanding or unpaid, there is appropriated out of the first money coming into the state treasury in each fiscal year, not otherwise appropriated by this constitution, an amount that is sufficient to pay the principal of and interest on those bonds that mature or become due during that fiscal year, less the amount in the sinking fund at the close of the prior fiscal year.*

*(d) The terms, conditions, provisions, and procedures for issuance and sale and management of proceeds of Texas agricultural water conservation bonds shall be provided by law.*

*(e) The legislature may not approve and the Texas Water Development Board may not issue and sell Texas agricultural water conservation bonds on or after the fourth anniversary of the date on which this section becomes a part of the constitution.*

**SECTION 4.** (a) The constitutional amendment proposed by Sections 1 and 2 of this resolution shall be submitted to the voters at an election to be held on November 5, 1985. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment to authorize the issuance of an additional \$980 million of Texas Water Development Bonds, to create special water funds for water conservation, water development, water quality enhancement, flood control, drainage, subsidence control, recharge, chloride control, agricultural soil and water conservation, and desalinization, to authorize a bond insurance program, and to clarify the purposes for which Texas Water Development Bonds may be issued."

(b) The constitutional amendment proposed by Section 3 of this resolution shall be submitted to the voters at an election to be held on November 5, 1985. The ballot shall be printed to provide for voting for or against the proposition: "The constitutional amendment authorizing the issuance and sale of \$200 million of Texas agricultural water conservation bonds."

Passed by the House on February 12, 1985, by the following vote: Yeas 135, Nays 11, 1 present, not voting; that the House refused to concur in Senate amendments to H.J.R. No. 6 on February 28, 1985, by a non-record vote and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.J.R. No. 6 on May 8, 1985, by the following vote: Yeas 127, Nays 15, 3 present, not voting; passed by the Senate, with amendments, on February 27, 1985, by the following vote: Yeas 28, Nays 1; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.J.R. No. 6 on May 8, 1985, by the following vote: Yeas 30, Nays 0.

Received: May 15, 1985

To be voted on: November 5, 1985

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### H.J.R No. 19

A Joint Resolution proposing a constitutional amendment authorizing the issuance of general obligation bonds to provide financing assistance for the purchase of farm and ranch land.

*Be it resolved by the Legislature of the State of Texas:*

**SECTION 1.** Article III of the Texas Constitution is amended by adding Section 49-f to read as follows:

*Sec. 49-f. (a) The legislature by general law may provide for the issuance of general obligation bonds of the state, the proceeds of which shall be used to make loans and provide other financing assistance for the purchase of farm and ranch land.*

*(b) All money received from the sale of the bonds shall be deposited in a fund created with the state treasurer to be known as the farm and ranch finance program fund. This fund shall be administered by the Veterans' Land Board in the manner prescribed by law.*

*(c) Section 65(b) of this article applies to the payment of interest on the bonds.*

*(d) The principal amount of bonds outstanding at one time may not exceed \$500 million.*

*(e) While any of the bonds authorized by this section or any interest on those bonds is outstanding and unpaid, there is appropriated out of the first money coming into the treasury in each fiscal year not otherwise appropriated by this constitution an amount that is sufficient to pay the principal and interest on the bonds that mature or become due during the fiscal year less the amount in the interest and sinking fund at the close of the prior fiscal year.*

*(f) The bonds shall be approved by the attorney general and registered with the comptroller of public accounts. The bonds, when approved and registered, are general obligations of the state and are incontestable.*